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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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FORM 10-Q

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Quarterly Report Under Section 13 or 15 (d) of the Securities Exchange Act of 1934

For the quarterly period from **April 1, 1992 to June 30, 1992**

Commission File No. **0-3978**

UNICO AMERICAN CORPORATION

(Exact name of registrant as specified in its charter)

Nevada	**95-2583928**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employee Identification No.)
23251 Mulholland Drive Woodland Hills, California	**91364**
(Address of Principal Executive Offices)	(Zip Code)

(818) 591-9800
Registrant's telephone number

Microfilmed By Q-Data Corporation St. Petersburg, FL

Securities registered pursuant to Section 12(b) of the Act:
None
(Title of each class)

Securities registered pursuant to section 12(g) of the Act:
Common Stock, No Par Value
(Title of Class)

No Change
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ___

5,802,109
Number of shares of common stock outstanding as of July 31, 1992

UNICO AMERICAN CORPORATION
AND WHOLLY OWNED SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

	June 30, 1992 (Unaudited)	March 31, 1992
ASSETS		
Investments (Note 2)		
Fixed maturities, at amortized cost (market value $36,936,220 at June 30, 1992 and $38,404,358 at March 31, 1992)	$34,648,128	$36,695,440
Equity securities, at market (cost $4,212,180 at June 30, 1992 and $7,114,476 at March 31, 1992)	4,157,349	6,848,318
Short term investments, at cost	15,740,983	6,879,035
Cash (Note 2)	345,296	165,518
Due from related parties	109,250	109,250
Accrued investment income	981,690	1,439,913
Accounts and notes receivable, net	5,105,675	4,466,418
Reinsurance recoverable	1,042,822	6,407
Deferred policy acquisition costs	3,088,892	2,991,870
Property and equipment (net of accumulated depreciation)	363,924	397,662
Federal income tax recoverable	4,286,643	-
Other assets	1,295,973	1,147,620
Total Assets	$71,166,625	$61,147,451
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Reserve for unpaid losses	$34,400,657	$21,249,902
Unearned premium reserve	8,636,203	8,285,738
Advance premiums	1,791,378	1,818,692
Funds held as security for performance (Note 3)	929,012	985,016
Income taxes payable	-	681,270
Deferred income taxes payable (Note 4)	117,673	117,673
Accrued expenses and other liabilities	2,886,055	2,725,149
Notes payable - short term	3,045,001	1
Notes payable - long term	1,000,000	-
Note payable to related party	500,000	-
Dividend payable	348,127	-
Total Liabilities	$53,654,106	$35,863,441
STOCKHOLDERS' EQUITY		
Common stock, no par - authorized 10,000,000 shares, issued and outstanding shares 5,802,109 at June 30, 1992, and 5,514,109 at March 31, 1992	2,299,801	1,299,801
Net unrealized investment losses	<36,188>	<175,665>
Retained earnings	15,248,906	24,159,874
Total Stockholders' Equity	17,512,519	25,284,010
Total Liabilities and Stockholders' Equity	$71,166,625	$61,147,451

See notes to consolidated financial statements.

UNICO AMERICAN CORPORATION
AND WHOLLY OWNED SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
(UNAUDITED)
FOR THE THREE MONTHS ENDED

	June 30, 1992	June 30, 1991
REVENUES		
Insurance Company Revenues		
Premium earned	$5,323,837	$4,709,665
Less: Premium ceded (net of provisional adjustment)	1,626,652	953,512
Net premium earned	3,697,185	3,756,153
Investment income	864,700	884,458
Other income	335,167	234,166
Total insurance company revenue	4,897,052	4,874,777
Non-Insurance Company Revenues		
Gross commissions and fees	1,391,205	1,619,230
Investment income	52,507	94,486
Finance charges and late fees earned	171,302	174,959
Other income	2,097	3,932
Total Revenues	6,514,163	6,767,384
COSTS and EXPENSES		
Loss & loss adjustment expenses (Note 8)	16,053,469	1,801,627
Policy acquisition costs	1,487,678	1,282,031
Salaries and employee benefits	1,015,144	1,006,261
Commissions to agents/brokers	270,235	292,779
Other operating expenses	739,844	677,249
Total Costs and Expenses	19,566,370	5,059,947
Income <Loss> Before Taxes	<13,052,207>	1,707,437
Income Tax Provision <Benefit>	<4,489,366>	554,528
Net Income <Loss>	<8,562,841>	1,152,909
Retained Earnings April 1,	24,159,874	19,425,072
Dividend declared	<348,127>	<274,343>
Retained Earnings June 30,	$15,248,906	$20,303,638
PER SHARE DATA (based on weighted average shares outstanding)		
Weighted average common and common equivalent shares outstanding:	5,577,840	5,493,412
Earnings <Loss> Per Share:	<$1.53>	$0.21

See notes to consolidated financial statements.

UNICO AMERICAN CORPORATION
AND WHOLLY OWNED SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)
FOR THE THREE MONTHS ENDED

	June 30, 1992	June 30, 1991
Net Income <Loss>	$<8,562,841>	$1,152,909
Charges <credits> to reconcile net income <loss> to net cash from operations		
Depreciation & amortization	48,201	49,725
Due to related party	500,000	-
Bond amortization, net	47,312	14,654
Accrued investment income	458,223	245,846
Accounts receivable	<639,257>	<915,477>
Deferred policy acquisition costs	<97,022>	<225,523>
Federal income tax recoverable	<4,286,643>	-
Other assets	<1,256,616>	173,472
Reserve for unpaid loss & loss adjusting expenses	13,150,755	<815,049>
Unearned premium reserve	350,465	507,739
Premiums received in advance	<27,314>	<77,409>
Funds held as security for performance	<56,004>	<93,486>
Income taxes payable	<681,270>	84,527
Accrued expenses & other liabilities	160,904	<70,338>
Net cash provided from operations	<891,107>	31,590
Investing Activities		
Purchase of fixed maturities	-	<1,023,710>
Proceeds from maturity of fixed maturities	2,000,000	1,000,000
Purchase of equity securities at cost	<65,854>	-
Proceeds from sale of equity securities	2,968,150	-
Net <increase> decrease in short term investments	<8,861,948>	1,416,877
Additions to property & equipment	< 14,463>	< 49,239>
Net cash <provided> by investing activities	<3,974,115>	1,343,928
Financing Activities		
Proceeds from issuance of common stock	1,000,000	-
Proceeds from notes payable	4,045,000	-
Repayment of notes payable	-	<1,375,000>
Net cash provided <used>by financing activities	5,045,000	<1,375,000>
Net increase in cash	179,778	518
Cash at beginning of quarter	165,518	374,571
Cash at end of quarter	$345,296	$375,089
Supplemental cash flow information		
Cash paid during the quarter for:		
Interest	$11,864	$30,714
Income taxes	$730,000	$385,000

See notes to consolidated financial statements.

UNICO AMERICAN CORPORATION
AND WHOLLY OWNED SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 1992

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Unico American Corporation is referred to herein as the "Company" or "Unico" and such references include both the corporation and its wholly owned subsidiaries unless otherwise indicated. Unico was incorporated under the laws of Nevada in 1969. Unico American Corporation is an insurance holding company which provides property, casualty, health and life insurance and related premium financing through its wholly owned subsidiaries.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all of its wholly owned subsidiaries. All significant inter-company accounts and transactions have been eliminated in consolidation. The consolidated financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) which differ in some respects from those followed in reports to insurance regulatory authorities.

Investments

Investments in bonds with fixed maturities are carried at amortized cost. It is management's intention to hold these investments to maturity. Short term investments are carried at cost which approximates market value. Investments in equity securities are carried at market. Unrealized investment gains and losses on equity securities, to the extent that there is no permanent impairment of value, are credited or charged directly to shareholders' equity, net of any tax effect. Realized gains and losses are included in the consolidated statements of income based upon the specific identification method.

Depreciation and Amortization

Generally, all fixed assets are depreciated using accelerated depreciation methods. Maintenance and repairs and expenditures for renewals and betterments, not expected to extend the useful lives or to increase materially the productivity of the fixed assets to which they are applied, are charged to income as incurred. Other renewals and betterments are capitalized.

Income Taxes

The provision for federal income taxes is computed on the basis of income as reported for financial reporting purposes under generally accepted accounting principles. Deferred income taxes arise principally from certain revenues and expenses which are recognized for income tax purposes in different periods than for financial statements.

NOTE 2 - RESTRICTED FUNDS

As required by law, the Company segregates from its operating accounts premiums collected from insureds into separate trust accounts. As of June 30, 1992 these trust funds represent $1,876,740 of the Company's cash and short term investments. In addition, $725,000 of the Company's short term investments represent statutory deposits of Crusader which are assigned to and held by the California State Treasurer and the Insurance Commissioner of the State of Nevada. These deposits are required for Crusader to write certain lines of business in California and for its admission in states other than California.

NOTE 3 - FUNDS HELD AS SECURITY

Funds held as security for performance represent funds received in order to guarantee the contractual obligations entered into with customers.

NOTE 4 - DEFERRED INCOME TAXES

Deferred income tax represents the tax effect of timing differences in the recognition of revenues and expenses for financial reporting and income tax purposes.

NOTE 5 - STATUTORY CAPITAL AND SURPLUS

As of June 30, 1992 the insurance company statutory capital and surplus was deemed sufficient to support its present insurance premium writings.

NOTE 6 - INCENTIVE STOCK OPTION PLAN

The Company's 1985 stock option plan provides for the grant of "incentive stock options" to officers and key employees. The plan covers an aggregate of 1,500,000 shares of the Company's common stock (subject to adjustment in the case of stock splits, reverse stock splits, stock dividends, etc.). As of June 30, 1992, 619,836 options were outstanding, of which 305,258 were currently exercisable. During the quarter ended June 30, 1992, no options were exercised. On May 15, 1992, the Company canceled 519,836 outstanding stock options and reissued them to the same recipients in the same amounts as previously issued based on the May 15, 1992 market value of $3.50 per share. As of June 30, 1992, there were 70,164 options available for future grant under the 1985 plan.

NOTE 7 - CLAIMS AND LITIGATION

The Company, by virtue of the nature of the business conducted by it, becomes involved in numerous legal proceedings in which it may be named as either plaintiff or defendant. The Company is required to resort to legal proceedings from time-to-time in order to enforce collection of premiums and other commissions or fees for the services rendered to customers or to their agents. These routine items of litigation do not materially affect the Company and are handled on a routine basis by the Company through its general counsel.

Likewise, the Company is sometimes named as a cross-defendant in litigation which is principally directed against that insurer who has issued a policy of insurance directly or indirectly through the Company. Incidental actions are sometimes brought by customers or other agents which relate to disputes concerning the issuance or non-issuance of individual policies. These items are also handled on a routine basis by the Company's general counsel and they do not materially affect the operations of the Company. From time-to-time, the Company is required to request and obtain the intercession of the Company's errors and omissions carrier in connection with the defense of some of these claims.

The Company had filed a lawsuit against its former independent accountants' successor firm alleging that they failed to fulfill their responsibilities regarding the auditing of the Company's common stock. As of the date of this report, the lawsuit is continuing.

NOTE 8 - RIOT CLAIMS

On April 29, 1992, wide spread looting and fire damage erupted during the civil disturbances in the greater Los Angeles area (the "riot claims") and Crusader was materially affected. Although the claim processing is not complete, Crusader presently estimates that the total cost of these claims will be approximately $20,600,000. After the recovery provided by Crusader's reinsurance of approximately $5,600,000, and federal income tax benefit (including net operating loss carryback) of approximately $5,000,000, the effect of this event on net income in the quarter ended June 30, 1992 is presently estimated to be a net loss of approximately $10,000,000. The effect of this event before federal income tax benefit is approximately $15,000,000 and is included in the loss and loss adjustment expense on the consolidated statement of income.

NOTE 9 - LEASE COMMITMENTS AND CONTINGENCIES

The Company presently occupies a 46,000 square foot building located at 23251 Mulholland Drive, Woodland Hills, California under a masterlease expiring August 1997. The lease provides for an annual gross rental of $1,025,952.

Erwin Cheldin the company's president, chairman and principal stockholder together with his brother Arnold Jack Cheldin are the owners of the building. The terms of the lease at inception were at least as favorable to the company as could have been obtained from unaffiliated third parties.

The Company utilizes for its own operation 100% of the space it leases from its principal stockholders.

NOTE 10

In the opinion of the Company, the accompanying unaudited consolidated financial statements contain all necessary adjustments, which consist of normal recurring adjustments, to present fairly the results of operations for the three months ended June 30, 1992 and June 30, 1991.

NOTE 11

The results of operations for the three months ended June 30, 1992 should not be considered as necessarily indicative of the results to be expected for the full year.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Material Uncertainties Under Proposition 103

On November 8, 1988, California voters passed a California initiative, Proposition 103, which makes significant changes to the Property and Casualty insurance business in California. Litigation immediately ensued challenging the constitutionality of the provisions of the initiative. On May 4, 1989, the California State Supreme Court found the provisions of Proposition 103 to be facially constitutional. The court, however, ruled that insurance companies are entitled to a "fair and reasonable return" and that an insurer would be exempt from the rate rollback if it could show in its rate filings that the rollback would produce less than the constitutionally provided "fair return".

The Proposition provides, among other things, that rates for automobile and most other insurance policies issued or renewed between November 8, 1988 and November 8, 1989 be rolled back to the levels of November 8, 1987 and then reduced by an additional 20%. In July 1990, the Commissioner issued regulations to implement the rate rollback provisions of the proposition, and in accordance with these regulations, Crusader supplied data to the insurance department to allow it to compute the level of rollbacks, if any. The Company is still awaiting notification from the insurance department as to the results. In November 1990, John Garamendi was elected the new Insurance Commissioner. In January 1991, he proposed new regulations dealing with the computation of rate rollbacks and rate regulation pursuant to Proposition 103. The proposed regulations intend to replace regulations issued by the prior commissioner. The specific form of the new regulations, relating to rate of return and leverage factors for computing rollbacks, were to be determined in hearings which began February 1991. On August 14, 1991 the Commissioner issued his decision in which he determined a 10% rate of return on statutory surplus for the 1989 calendar year represented a "fair return" during the rollbacks period for all insurance companies writing lines subject to the initiative.

The Department of Insurance implemented the Commissioner's August 14, 1991 decision with the issuance of "Emergency Regulations" containing a rate of return formula based on the Commissioners decision.

In January 1992, the Office of Administration Law ("OAL") rejected the Insurance Commissioner's emergency regulations on Proposition 103 rate rollbacks and the prior approval of rates. The OAL concluded that the imposition of the regulations' generic rate setting model on insurers was not authorized by Proposition 103. The Commissioner appealed the OAL's decision to Governor Pete Wilson. On February 14, 1992 Governor Wilson overruled the OAL. The Governor's written opinion declared that he would not consider any further appeals of OAL's decisions on Proposition 103 regulations.

Because the Governor's February 14th decision only authorized the regulations to be put into effect for one 120-day emergency period, the Department of Insurance had to go back to the OAL for approval to readopt the regulations for another 120 days. On June 8, 1992, the OAL issued the notice of its disapproval of the Department's request.

The OAL'S rejection of the regulations will probably put the Proposition 103 rollback hearings on hold since the regulations are the basis for the rollback orders.

The Insurance Commissioner has continued to impose a freeze on insurance prices for each company until its rollback liability has been determined and all legal challenges to that rollback have been exhausted. This price freeze has not yet been fully tested in the Courts.

As a result of rate reductions made on all but two of its programs by Crusader in November 1987, Crusader has already met the rollback provisions of the Proposition. With respect to two programs in which the rates were not reduced, Crusader has filed a request for exemption from the rollback with the Commissioner.

If the exemptions are not granted in their entirety by the Commissioner, refund of premiums from Crusader (together with interest thereon at the rate of ten percent), pursuant to the rollback for policies issued or renewed between November 8, 1988 and November 8, 1989, represent a contingent liability of approximately $748,000 (including interest) before income taxes. This contingent liability is deemed material. Although the ultimate outcome of the request for exemptions by Crusader cannot presently be determined, management believes the exemptions will be granted, and therefore, there has been no provision in the accompanying financial statements for any liability or loss which may result from a denial or partial denial of the exemption requests. On August 5, 1991, the California Senate added section 769.2 to the Insurance code prohibiting insurers, who are ordered to make proposition 103 refunds, from requiring agents or brokers to refund commissions on the returned premium. Therefore, the Company's contingent liability calculation does not include any provision for potential return of commissions earned by its managing general agency operations.

(a) Liquidity and Capital Resources:

Due to the nature of the Company's business (insurance and insurance services) and whereas Company growth does not normally require material reinvestment of profits into property or equipment, the cash flow generated from operations usually results in improved liquidity for the Company. However, the cash flow requirements of the Los Angeles riot claims which occurred in April, 1992 (see Note 8) has effected the Company's liquidity.

Crusader generates a significant amount of cash as a result of its holdings of unearned premium reserves, reserves for loss payments and its capital and surplus. Crusader's loss and loss adjustment expense payments are the most significant cash flow requirement of the Company. These payments are continually monitored and projected to insure that the Company has the liquidity to cover these payments without the need to liquidate its investments. As of June 30, 1992, the Company had cash and cash investments of $54,891,756 of which $51,440,225 were investments of Crusader.

Due to declining interest rates and the cash requirement to meet the claim obligation of the Los Angeles riot, the Company has decreased its percentage of Crusader's investment in fixed maturities from its prior target of 85% of invested assets. As of the quarter ended June 30 1992, the Company had invested $34,648,128 (at amortized cost) or 63% of its investments in fixed maturity obligations. The balance of the Company's investments are in shares in high quality mutual funds, U.S. Treasury bills and other high quality short term investments which include bank money market accounts, certificates of deposit, commercial paper, and bankers acceptances.

The Company anticipates that most of the riot claims will be paid and the related reinsurance recoveries received over the period ending March 31, 1993. The negative effects on cash flow of these claim payments will be somewhat offset because as a result of the loss, the Company anticipates no federal income tax due for its fiscal year ending March 31, 1993; and therefore, it does not intend to make any federal income tax estimated payments for that year. To the extent these losses exceed the company's other net income for the fiscal year ending March 31, 1993, it will be entitled to a loss carryback for federal income taxes paid in prior years. This refund will be applied for at the time the Company files its federal income tax return for its fiscal year ending March 31, 1993.

The financial results of this event, which is reflected in the first fiscal quarter ended June 30, 1992, has not affected Crusader's solvency and it has the liquidity to pay these claims. Crusader's statutory capital and surplus as of March 31, 1992 (before the riot loss) was $18,680,413. Unico management has determined that it will attempt to maintain Crusader's capital and surplus as of June 30, 1992 (after the riot loss) at a minimum of $15,000,000. To accomplish this result, in June 1992, Unico contributed to Crusader additional surplus of $5,000,000.

The proceeds of this contribution came from the following sources:

1. Unico's wholly owned subsidiary engaged in insurance premium financing repaid Unico the funds it borrowed to finance insurance premiums and replaced these funds by drawing down on its bank credit line. This provided Unico with approximately $2,000,000.

2. Unico borrowed from Erwin Cheldin, its principal shareholder, president and chief executive officer, $500,000 at 8% for a period of approximately 3 years.

3. Unico obtained $3,000,000 from a sale of 288,000 shares of its common stock for $1,000,000 and a loan of $2,000,000 in a private placement with an unaffiliated entity. The loan is represented by an 8% note, due $1,000,000 in January 1993 and $500,000 in each of January 1994 and January 1995.

As a result of Unico's surplus contributions, Crusader's statutory surplus at June 30, 1992 (after the riot loss) was $15,069,230, thus achieving management's target.

There are no material commitments for capital expenditures as of the date of this report.

The Company believes that its cash and short term investments at the quarter end, net of trust restriction of $1,876,740, statutory deposits of $725,000 and dividend restriction between Crusader and Unico plus the cash to be generated from operations, should be sufficient to meet its operating requirements during the next twelve months, without the necessity of borrowing additional funds.

The Company was not dependent upon dividends from Crusader during the three months ended June 30, 1992. However, the Company intends to service the $2,500,000 Unico debt incurred to increase Crusader's surplus (discussed above) from anticipated Crusader dividends. No other dividends from Crusader are anticipated during the fiscal year ending March 31, 1993. Crusader is restricted in the amount of shareholder dividends which may be paid to Unico within any one year without the approval of the Insurance Department of California.

In June 1992, the Board of Directors, after reevaluating the advisability of the Company declaring a cash dividend in light of the estimated losses arising from the Los Angeles riot, decided to declare a dividend of $0.06 (six cents) per common share payable on August 14, 1992 to shareholders of record at the close of business on July 31, 1992.

(b) Results of Operation:

All comparisons made in this discussion are comparing the quarter ended June 30, 1992 to the quarter ended June 30, 1991. The Company recognized a net loss of $8,562,841 for its quarter ended June 30, 1992 compared to net income of $1,152,909 for the quarter ended June 30, 1991. The pretax loss for the June 1992 quarter was $13,052,207 compared to pretax income of $1,707,437 for the June 1991 quarter. The loss for the quarter ended June 30, 1992 was due principally to the underwriting losses sustained by Crusader Insurance Company resulting from the Los Angeles riot claims (see Note 8).

Insurance company operation

Insurance company underwriting income (net earned premium less loss and loss adjustment expenses and policy acquisition costs) decreased by $14,516,457, primarily as a result of the Los Angeles riot claims.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION (continued)

Competition in the California market remains intense, however the Company's premium earned before reinsurance increased $614,172 (13%). This increase was primarily due to increased premium earnings in Crusader's commercial package, commercial liability and commercial property business. Net premium earned after reinsurance decreased $58,968 (2%) primarily as a result of a provisional adjustment of premium ceded on commercial package business due to the Los Angeles riot loss.

Loss and loss adjustment expenses increased $14,251,842 when compared to the June 1991 quarter. The increase is primarily the result of the claims arising from the Los Angeles riot. The Company's current estimate of losses from the riot net of reinsurance is approximately $15,000,000. Loss and loss expenses for claims other than the riot losses decreased approximately $750,000 when compared to the June 1991 quarter. This decrease is primarily due to continued favorable development of losses incurred in prior years.

Policy acquisition costs consist of commissions, premium taxes, inspection fees, and certain other underwriting costs which are directly or indirectly related to the production of Crusader insurance policies. These costs include both Crusader expenses and allocated expenses of other Unico subsidiaries. Policy acquisition costs are deferred and amortized as the related premiums are earned. These costs increased by $205,647 (16%) due to the related increase in Crusader's premium earned.

Investment income decreased by $61,737 (6%) while cash and invested assets increased by $6,933,695. The increase in the cash and invested assets is the result of borrowings the Company made on June 29, 1992 to provide additional surplus to the Company's insurance subsidiary. The decrease in investment income is due to the general decline in short term interest rates in the short term financial markets combined with the increase in short term cash held by the Company (see liquidity and capital resources).

Gross commission and fee revenue decreased $228,025 (14%) when compared to the quarter ended June 30, 1991. This decrease is primarily due to a $144,745 (37%) decrease in commissions and fees from the daily automobile rental program and a $77,403 (8%) decrease in commissions and fees from the health and life program. The daily automobile rental program has been experiencing a decline in new and renewal business due to intense competition and a "soft" insurance market. The company is unable to determine how long these market conditions will continue. The decrease in the health & life program was due to decreasing sales resulting from intense competition. The Company is continuing its efforts to provide more choices to its customers by offering a wider variety of products and expanding its marketing area.

Commission expense to agents/brokers (not including commission on Crusader policies which are reflected in policy acquisition costs) decreased $22,544 (8%). This decrease is related to the decrease in gross commission revenue.

Other operating expenses generally do not change significantly with changes in production. The increase in operating expenses of $62,595 (9%) was primarily due to an increase in legal expenses and a reduction in interest expense (due to reduced bank borrowings during the quarter).

The effect of inflation on net income of the Company during the quarter ended June 30, 1992 and 1991 was not significant.

Other than with respect to the claims arising from the Los Angeles riot, there were no material items or significant elements included in the results of operations which arose from or were not necessarily representative of the Company's ongoing business.

UNICO AMERICAN CORPORATION
AND WHOLLY OWNED SUBSIDIARIES

PART II - OTHER INFORMATION

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

(a) None

(b) None

UNICO AMERICAN CORPORATION
AND WHOLLY OWNED SUBSIDIARIES

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto authorized.

UNICO AMERICAN CORPORATION

Date: August 12, 1992 By: ERWIN CHELDIN
Erwin Cheldin
Chairman of the Board, President and Chief
Executive Officer, (Principal Executive Officer)

Date: August 12, 1992 By: LESTER A. AARON
Lester A. Aaron
Treasurer, Chief Financial Officer and Director
(Principal Accounting and Principal Financial Officer)